

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

September 12, 2008

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

PSF No.: GLS-4881

HAWAII

After-the-Fact Lease Extension of General Lease No. S-4881 to County of Hawaii
for Recreational and Community Center Purposes, South Hilo, Hawaii,
Tax Map Key: 3rd/ 2-8-06:12.

APPLICANT:

COUNTY OF HAWAII, whose business and mailing address is 101 Aupuni Street,
Suite 6, Hilo, Hawaii 96720.

LEGAL REFERENCE:

Section 171-95, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands of former Pepeekeo School Lot situated at Kulaimano,
South Hilo, Hawaii, identified by Tax Map Key: 3rd/ 2-8-06: 12, as shown on the attached
map labeled Exhibit A.

AREA:

4.90 acres, more or less.

ZONING:

State Land Use District: Urban
County of Hawaii CZO: Ag-5a

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: NO

CURRENT USE STATUS:

Encumbered under General Lease No. S-4882 to the County of Hawaii, Department of Parks and Recreation, for recreational and community center purposes.

CHARACTER OF USE:

Recreation and community center purposes.

LEASE TERM:

Twenty-five (25) years.

Original term of 15-years; 5/13/1983 to 5/12/1998.

First Amendment for 10-year lease term extension; 5/13/1998 to 5/12/2008.

Extension Term:

Ten (10) years to commence on May 13, 2008

ANNUAL RENT:

Gratis

RENTAL REOPENINGS:

None.

PERFORMANCE BOND:

None.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with the "Division of Land Management's Environmental Impact Statement Exemption List", approved by the Environmental Council and dated April 28, 1986, the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 1, Item No. 1 that states "Operations, repairs or maintenance of existing structures, facilities, equipment or topographical features, involving negligible or no expansion or change of use beyond that previously existing."

REMARKS:

The subject parcel was acquired through Final Order of Condemnation to the Territory of Hawaii, dated March 25, 1931, for a Pepeekeo School Lot. The former Pepeekeo School closed its doors in September 1965. In the early 1970's, the former Peace Corps Training Program utilized the premises. Upon the discontinued use of the site by the Peace Corps in 1973, the County of Hawaii, Department of Parks and Recreation maintained the property.

At its meeting of May 13, 1983, Item F-6, the Board of Land and Natural Resources approved a direct lease to the County of Hawaii for recreational and community center purposes.

At its meeting of November 20, 1998, Item D-13, the Board approved to amend General Lease No. S-4881, extending the lease term for another ten (10) years, for periods covering May 13, 1998 to May 12, 2008.

By letter dated February 28, 2008, Patricia Engelhard, Director, County Parks and Recreation, requested an additional ten (10) year lease term extension of General Lease No. S-4881.

The proposed use is the highest and best use allowable, and is consistent with county zoning. To date, there has not been any application or other interest in the property.

The County of Hawaii has not had a lease, permit, easement or other disposition of State lands terminated within the last five years due to non-compliance with such terms and conditions.

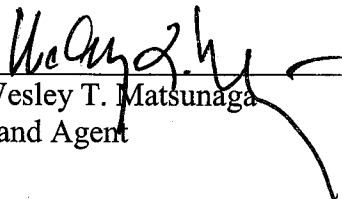
No agency or community comments were solicited for this submittal since the County of Hawaii currently holds the existing lease on the property. Staff is of the understanding that no party has expressed interest on the property, the public's interest demands its current use, and there is no higher or better use.

RECOMMENDATION: That the Board:

- A. Grant a ten (10) year lease extension of General Lease No. S-4881, from May 13, 2008 to May 12, 2018, under the terms and conditions previously listed, which are by this reference incorporated herein, and subject further to the following:
 1. The standard terms and conditions of the most current lease amendment document form, as may be amended from time to time;
 2. All other terms and conditions within General Lease No. S-4881 are to remain unchanged.

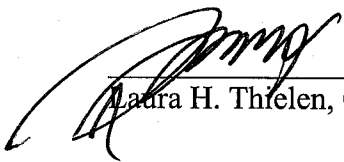
3. Review and approval by the Department of the Attorney General; and
4. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,




Wesley T. Matsunaga
Land Agent

APPROVED FOR SUBMITTAL:



Laura H. Thelen, Chairperson





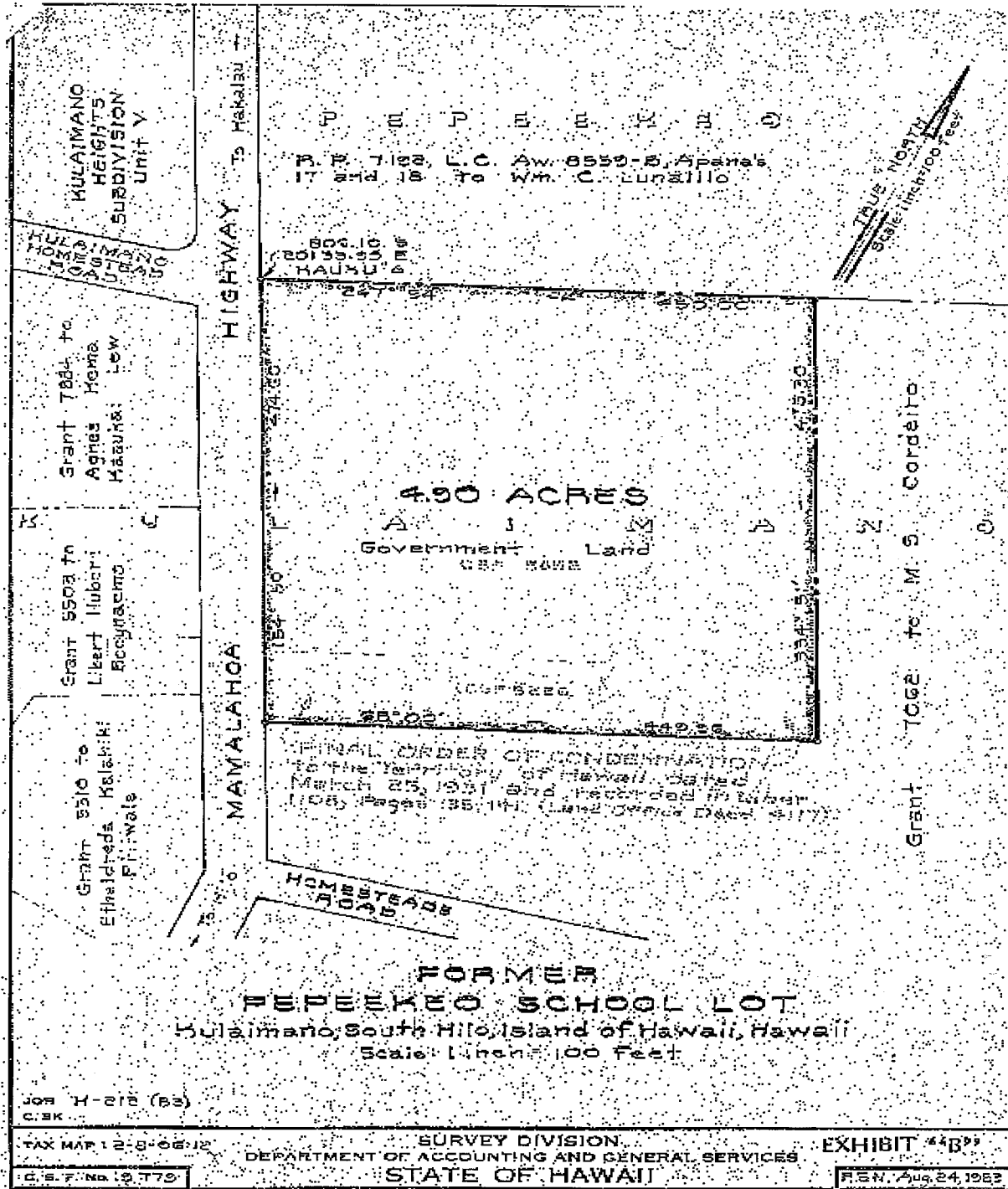


EXHIBIT A